



# QUARTERLY STATEMENT

**AS OF JUNE 30, 2008**

**Upper Peninsula Health Plan, Inc.**

NAIC Group Code	<u>0000</u> (Current Period)	<u>0000</u> (Prior Period)	NAIC Company Code	<u>52615</u>	Employer's ID Number	<u>38-3379956</u>
Organized under the Laws of		<u>Michigan</u>		State of Domicile or Port of Entry		<u>Michigan</u>
Country of Domicile			<u>United States</u>			
Licensed as business type:		Life, Accident & Health <input type="checkbox"/>	Property/Casualty <input type="checkbox"/>	Hospital, Medical & Dental Service or Indemnity <input type="checkbox"/>		
		Dental Service Corporation <input type="checkbox"/>	Vision Service Corporation <input type="checkbox"/>	Health Maintenance Organization <input checked="" type="checkbox"/>		
		Other <input type="checkbox"/>	Is HMO, Federally Qualified? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Incorporated/Organized	<u>10/14/1997</u>		Commenced Business	<u>08/01/1998</u>		
Statutory Home Office	<u>228 W. Washington St.</u> (Street and Number)				<u>Marquette, MI 49855</u> (City, State and Zip Code)	
Main Administrative Office	<u>228 W. Washington St.</u> (Street and Number)		<u>Marquette, MI 49855</u> (City or Town, State and Zip Code)		<u>906-225-7500</u> (Area Code) (Telephone Number)	
Mail Address	<u>228 W. Washington St.</u> (Street and Number or P.O. Box)				<u>Marquette, MI 49855</u> (City or Town, State and Zip Code)	
Primary Location of Books and Records	<u>228 W. Washington St.</u> (Street and Number)		<u>Marquette, MI 49855</u> (City, State and Zip Code)		<u>906-225-7500</u> (Area Code) (Telephone Number)	
Internet Website Address	<u>www.uphp.com</u>					
Statutory Statement Contact	<u>Kevin Carlson</u> (Name)		<u>906-225-7500</u> (Area Code) (Telephone Number) (Extension)			
	<u>kwcarlson@uphp.com</u> (E-Mail Address)		<u>906-225-8687</u> (Fax Number)			

## OFFICERS

Name	Title	Name	Title
Dennis H. Smith	President	Greg A. Gustafson	Treasurer
Donald Simila	Secretary	,	,

## **OTHER OFFICERS**

## **DIRECTORS OR TRUSTEES**

John Schon	David Jahn	Donald Simila	James Bogan
Michelle Tavernier	John Tembreull #	Eric Jurgensen	Gina Lepisto #
Charles Nelson			

State of Michigan ss  
County of Marquette

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dennis H. Smith  
President

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**Greg A. Gustafson**  
**Treasurer**

Donald Simila  
Secretary

- a. Is this an original filing? Yes [  ] No [  ]

b. If no,

  1. State the amendment number \_\_\_\_\_
  2. Date filed \_\_\_\_\_
  3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this  
\_\_\_\_\_6\_\_\_\_ day of \_\_\_\_\_ August, 2008

Tanya M. Jennings, Administrative Assistant  
October 11, 2013

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....			0	1,650,000
2. Stocks:			0	0
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:			0	0
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:			0	0
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ ..... 25,209,148 ), cash equivalents (\$ ..... 0 ) and short-term investments (\$ ..... 1,032,722 ) .....	26,241,870		26,241,870	19,430,911
6. Contract loans, (including \$ ..... premium notes)			0	0
7. Other invested assets .....	0	.0	0	0
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	26,241,870	.0	26,241,870	21,080,911
11. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	19,005		19,005	39,820
13. Premiums and considerations:			0	0
13.1 Uncollected premiums and agents' balances in the course of collection .....			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:			0	0
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....			0	0
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....	72,776	.69,137	.3,639	1,741
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	114,594	114,594	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....			0	0
22. Health care (\$ ..... 1,489,920 ) and other amounts receivable .....	2,039,920	.550,000	1,489,920	1,507,871
23. Aggregate write-ins for other than invested assets .....	108,844	108,844	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	28,597,009	842,575	27,754,434	22,630,343
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25) .....	28,597,009	842,575	27,754,434	22,630,343
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	.0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) .....	0	0	0	0
2301. Prepaid Expenses .....	108,844	108,844	0	0
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	.0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) .....	108,844	108,844	0	0

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	.7,892,899		.7,892,899	.8,771,000
2. Accrued medical incentive pool and bonus amounts			.0	.0
3. Unpaid claims adjustment expenses	143,000		.143,000	.143,000
4. Aggregate health policy reserves			.0	.0
5. Aggregate life policy reserves			.0	.0
6. Property/casualty unearned premium reserve			.0	.0
7. Aggregate health claim reserves			.0	.0
8. Premiums received in advance			.0	.0
9. General expenses due or accrued	.2,351,793		.2,351,793	.442,538
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			.0	.0
10.2 Net deferred tax liability			.0	.0
11. Ceded reinsurance premiums payable			.0	.0
12. Amounts withheld or retained for the account of others			.0	.0
13. Remittances and items not allocated			.0	.0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			.0	.0
15. Amounts due to parent, subsidiaries and affiliates			.0	.0
16. Payable for securities			.0	.0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			.0	.0
18. Reinsurance in unauthorized companies			.0	.0
19. Net adjustments in assets and liabilities due to foreign exchange rates			.0	.0
20. Liability for amounts held under uninsured plans			.0	.0
21. Aggregate write-ins for other liabilities (including \$ current)	.56,000	.0	.56,000	.56,000
22. Total liabilities (Lines 1 to 21)	10,443,692	.0	10,443,692	.9,412,538
23. Aggregate write-ins for special surplus funds	XXX	XXX	.0	.0
24. Common capital stock	XXX	XXX	3,592,171	3,592,171
25. Preferred capital stock	XXX	XXX		.0
26. Gross paid in and contributed surplus	XXX	XXX		.0
27. Surplus notes	XXX	XXX		.0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	.0	.0
29. Unassigned funds (surplus)	XXX	XXX	13,718,571	9,625,634
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24)				
\$ . )	XXX	XXX		.0
30.2 shares preferred (value included in Line 25)				
\$ . )	XXX	XXX		.0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	.17,310,742	13,217,805
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	27,754,434	22,630,343
<b>DETAILS OF WRITE-INS</b>				
2101. Reinsurance Loss Fund	.56,000		.56,000	.56,000
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	.0	.0	.0	.0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	56,000	0	56,000	56,000
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	.0	.0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	154,380	154,059	304,379
2. Net premium income (including \$ non-health premium income).....	XXX	40,535,810	31,717,288	66,797,874
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX		0	0
5. Risk revenue.....	XXX		0	0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	40,535,810	31,717,288	66,797,874
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		22,846,037	18,352,381	37,609,179
10. Other professional services.....		1,375,201	1,168,904	2,321,175
11. Outside referrals.....			0	0
12. Emergency room and out-of-area.....		1,120,638	1,013,928	1,989,660
13. Prescription drugs.....		5,710,057	5,507,029	10,652,694
14. Aggregate write-ins for other hospital and medical.....	.0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0	0
16. Subtotal (Lines 9 to 15).....	.0	31,051,933	26,042,242	52,572,708
<b>Less:</b>				
17. Net reinsurance recoveries.....			0	0
18. Total hospital and medical (Lines 16 minus 17).....	.0	31,051,933	26,042,242	52,572,708
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ cost containment expenses.....		707,074	731,774	1,437,986
21. General administrative expenses.....		4,924,843	3,747,302	7,677,833
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22).....	.0	36,683,850	30,521,318	61,688,527
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	3,851,960	1,195,970	5,109,347
25. Net investment income earned.....		282,142	395,444	833,839
26. Net realized capital gains (losses) less capital gains tax of \$.....			0	0
27. Net investment gains (losses) (Lines 25 plus 26).....	.0	282,142	395,444	833,839
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ) (amount charged off \$ .....)			0	0
29. Aggregate write-ins for other income or expenses.....	.0	0	5,572	15,771
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	4,134,102	1,596,986	5,958,957
31. Federal and foreign income taxes incurred.....	XXX		0	0
32. Net income (loss) (Lines 30 minus 31).....	XXX	4,134,102	1,596,986	5,958,957
<b>DETAILS OF WRITE-INS</b>				
0601.....	XXX			
0602.....	XXX			
0603.....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0	0
0701.....	XXX			
0702.....	XXX			
0703.....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401.....				
1402.....				
1403.....				
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. Settlement.....			5,572	15,771
2902.....				
2903.....				
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	5,572	15,771

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT:</b>			
33. Capital and surplus prior reporting year.....	13,217,805	7,384,292	7,384,292
34. Net income or (loss) from Line 32 .....	4,134,102	1,596,986	5,958,957
35. Change in valuation basis of aggregate policy and claim reserves .....	.0	.0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	.0	.0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....	.0	.0	0
38. Change in net deferred income tax .....	.0	.0	0
39. Change in nonadmitted assets .....	(50,478)	(68,321)	(126,005)
40. Change in unauthorized reinsurance .....	.0	.0	0
41. Change in treasury stock .....	.0	.0	0
42. Change in surplus notes .....	.0	.0	0
43. Cumulative effect of changes in accounting principles .....	.0	.0	0
44. Capital Changes:			
44.1 Paid in .....	.0	.0	0
44.2 Transferred from surplus (Stock Dividend) .....	.0	.0	0
44.3 Transferred to surplus .....	.0	.0	0
45. Surplus adjustments:			
45.1 Paid in .....	.0	.0	0
45.2 Transferred to capital (Stock Dividend) .....	.0	.0	0
45.3 Transferred from capital .....	.0	.0	0
46. Dividends to stockholders .....	.0	.0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	9,313	.0	561
48. Net change in capital & surplus (Lines 34 to 47) .....	4,092,937	1,528,665	5,833,513
49. Capital and surplus end of reporting period (Line 33 plus 48)	17,310,742	8,912,957	13,217,805
<b>DETAILS OF WRITE-INS</b>			
4701. Audit Entry.....	9,313	.0	561
4702. .....	.0	.0	0
4703. .....	.0	.0	0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	.0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	9,313	0	561

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	40,535,810	65,738,892
2. Net investment income.....	302,957	835,213
3. Miscellaneous income .....	0	15,771
4. Total (Lines 1 to 3).....	40,838,767	66,589,876
5. Benefits and loss related payments .....	31,912,083	40,569,563
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	3,722,660	19,179,307
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9).....	35,634,743	59,748,870
11. Net cash from operations (Line 4 minus Line 10).....	5,204,024	6,841,006
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	1,650,000	1,849,188
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	1,650,000	1,849,188
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	0	0
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	51,002
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	51,002
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	1,650,000	1,798,186
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	(43,065)	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(43,065)	0
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	6,810,959	8,639,192
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	19,430,911	10,791,719
19.2 End of period (Line 18 plus Line 19.1).....	26,241,870	19,430,911

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year .....	25,447	.280	.0	.0	.0	.0	.0	.0	25,167	.0
2. First Quarter .....	25,858	.341	.0	.0	.0	.0	.0	.0	25,517	.0
3. Second Quarter .....	25,756	.368							25,388	
4. Third Quarter .....	.0									
5. Current Year .....	.0									
6. Current Year Member Months	154,380	2,034							152,346	
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician .....	77,415	.1,020							76,395	
8. Non-Physician .....	45,677	.602							45,075	
9. Total .....	123,092	.1,622	.0	.0	.0	.0	.0	.0	121,470	.0
10. Hospital Patient Days Incurred	2,694	.5							2,689	
11. Number of Inpatient Admissions	996	.2							.994	
12. Health Premiums Written .....	41,322,229	160,091							41,162,138	
13. Life Premiums Direct.....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	41,322,229	160,091							41,162,138	
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	31,930,034	.85,121							31,844,913	
18. Amount Incurred for Provision of Health Care Services	31,051,933	127,725							30,924,208	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
<b>Claims Unpaid (Reported)</b>						
Bay Area Medical Center.....	14,450	15,000				29,450
Dickinson County Healthcare System.....	54,717	8,512				63,229
Chippewa War Memorila.....	66,100					66,100
Francis Bell Memorial Hospital.....	48,850					48,850
Grandview Hospital.....	44,550					44,550
Marquette General Hospital.....	334,973	29,514	5,243			369,730
Portage Health Systems.....	45,813	8,679				54,492
Harper University.....	12,800					12,800
Helen Newberry Joy Hospital.....	19,950					19,950
Keweenaw Memorial Medical Center.....	50,900					50,900
Schoolcraft Memorial Hospital.....	18,200					18,200
St Francis Hospital.....	88,176	7,317				95,493
University of Michigan Health System.....	16,050					16,050
West Shore Medical Center.....	15,900					15,900
St Josephs Hospital.....	7,046	7,144				14,190
4D Pharmacy Management Systems Inc.....	1,089,667					1,089,667
0199999 Individually Listed Claims Unpaid	1,928,142	76,166	5,243	0	0	2,009,551
0299999 Aggregate Accounts Not Individually Listed-Uncovered						0
0399999 Aggregate Accounts Not Individually Listed-Covered	12,740	43,018	383	50		56,191
0499999 Subtotals	1,940,882	119,184	5,626	50	0	2,065,742
0599999 Unreported Claims and Other Claim Reserves	XXX	XXX	XXX	XXX	XXX	5,827,157
0699999 Total Amounts Withheld	XXX	XXX	XXX	XXX	XXX	
0799999 Total Claims Unpaid	XXX	XXX	XXX	XXX	XXX	7,892,899
0899999 Accrued Medical Incentive Pool and Bonus Amounts	XXX	XXX	XXX	XXX	XXX	

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	22,322	62,799	1,996	56,314	24,318	19,688
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....					0	0
7. Title XIX - Medicaid .....	7,404,812	25,930,021	258,015	7,576,574	7,662,827	8,751,312
8. Other Health .....					0	0
9. Health Subtotal (Lines 1 to 8).....	7,427,134	25,992,820	260,011	7,632,888	7,687,145	8,771,000
10. Healthcare receivables (a) .....		1,489,920			0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....					0	0
13. Totals .....	7,427,134	24,502,900	260,011	7,632,888	7,687,145	8,771,000

(a) Excludes \$ ..... loans and advances to providers not yet expensed.

# **STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

## **NOTES TO FINANCIAL STATEMENTS**

### **Note 1 - Summary of Significant Accounting Policies**

#### **A) Accounting Practices**

The Quarterly Statement as of June 30, 2008 has been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual, and the preparation of the financial statements are in conformity with the Annual Statement Instructions.

#### **B) Use of Estimates in the Preparation of the Financial Statements**

The estimates used in the preparation of the financial statements conformed to the Annual Statement Instructions and Accounting Practices and Procedures manual.

#### **C) Accounting Policy**

Reinsurance premiums and experience refunds were netted against premium revenue and pharmaceutical rebates and psychotropic drug reimbursements were netted against pharmacy expenses.

### **Note 2 - Accounting Changes and Corrections of Errors**

Psychotropic drug reimbursements of \$920,780 are being netted against pharmacy expenses. QAAP tax expense through June 30, 2008 is \$2,353,853 and is included in administrative expenses. In addition, the State of Michigan implemented a hospital supplements payments protocol that assesses the hospitals operating revenue, uses those funds to generate matching dollars from CMS to increase funding for the state Medicaid program. These funds are paid directly to the hospitals for Graduate Medical Education (GME) or Hospital Rate Adjustments (HRA). These supplemental payments included in the quarterly filing totaled \$7,325,974.

### **Note 3 - Business Combinations and Goodwill**

NONE

### **Note 4 - Discontinued Operations**

NONE

### **Note 5 - Investments**

During the 1st quarter of 2008, two bonds had matured totaling \$1,650,000. The agency was purchased at its original issue price so there was not a discount or premium to amortize. Also, the agency matured with no gain or loss.

### **Note 6 - Joint Ventures, Partnerships, and Limited Liability Companies**

NONE

### **Note 7 – Investment Income**

As of June 30, 2008, the Company had \$19,005 of admitted investment income due and accrued and included in the statement of revenue and expenses.

### **Note 8 - Derivative Instruments**

NONE

### **Note 9 - Income Taxes**

- A) NONE
- B) NONE
- C) NONE
- D) NONE
- F) NONE
- E) NONE

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 10-Information Concerning Parent, Subsidiaries, and Affiliates**

- A) The Company is owned by fourteen 501(c)3 healthcare organizations with each owning various percentages. Only two hospitals control over 10% of the Plan. Marquette General Health System owns 56.27% and Portage Health System owns 10.02% of the Plan's outstanding common stock.
- B) NONE
- C) The Plan paid a management fee of \$2,746,698 to its management company, the Upper Peninsula Managed Care, LLC through June 30, 2008. All transactions are covered under Note 10-Part F.
- D) NONE
- E) NONE
- F) The Plan has a Management Service Agreement with its affiliate. This agreement spells out all administrative services provided by the company and includes methods of reimbursement for services performed.
- G) There are no shares of voting common stock in the Company. All 100 voting shares were recalled as a result of a change in control effective April 1, 2004.
- H) NONE
- I) NONE
- J) NONE

**Note 11-Debt**

The Plan has a \$1,000,000 long-term line of credit (LOC) with Wells Fargo Bank. This LOC has a variable rate of .25% over prime rate. The Plan has a \$0.00 balance outstanding as of June 30, 2008.

**Note 12-Retirement Plans, Deferred Compensation, Postemployment Benefits & Compensated Absences, and other Postretirement Benefit Plans**

NONE

**Note 13-Capital, Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations**

As of June 30, 2008, the Plan has 29,935 shares of non-voting stock issued and outstanding. The Plan has no preferred stock issued or outstanding.

**Note 14-Contingencies**

NONE

**Note 15-Leases**

NONE

**Note 16-Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

NONE

**Note 17-Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities**

NONE

**Note 18-Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans**

NONE

**Note 19-Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

NONE

**Note 20-September 11, 2001 Events**

The Company was not directly impacted by the events of September 11, 2001.

**Note 21 – Other Items**

Financial Examination

The Plan underwent a financial examination in 2005 by Michigan's Office of Financial & Insurances Regulation as of December 31, 2004. A copy of this report was made available for public inspection as of April 3, 2006.

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 22-Events Subsequent**

NONE

**Note 23-Reinsurance**

NONE

**Note 24-Retrospectively Rated Contracts & Contracts Subject to Redetermination**

The Plan's current book of business is the Michigan Managed Medicaid and MICHILD contracts. The Plan has no retroactive features in its contracts.

**Note 25-Change in Incurred Claims and Claim Adjustment Expense**

NONE

**Note 26-Intercompany Pooling Arrangements**

NONE

**Note 27-Structured Settlement**

NONE

**Note 28-Health Care Receivables**

The Plan's health care receivables as of June 30, 2008 totaled \$2,039,920 and consisted of psychotropic drug reimbursements from the State of Michigan Medicaid Program carve-out (\$920,780) and maternity case rates (\$569,140) for children born to mothers in the Plan. Other receivables include a refundable deposit with the Plan's Pharmacy Benefit Manager of (\$550,000). The refundable deposit is considered a non-admitted asset for statutory accounting purposes.

**Note 29-Participating Policies**

NONE

**Note 30-Premium Deficiency Reserves**

NONE

**Note 31-Anticipated Salvage and Subrogation**

The Company signed a contract with the First Recovery Group of Southfield, Michigan in September 2001. This contract enables The First Recovery Group to investigate, identify, and collect subrogation recoveries on behalf of the Upper Peninsula Health Plan, Inc. As of June 30, 2008, First Recovery Group recovered \$86,416 for the Company this year.

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.****GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? ..... Yes [ ] No [X]  
1.2 If yes, has the report been filed with the domiciliary state? ..... Yes [ ] No [ ]

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [X]

- 2.2 If yes, date of change: .....  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

3. Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]  
If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]  
4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]  
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2004

- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2004

- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 04/03/2006

- 6.4 By what department or departments?  
Michigan Office of Insurance and Financial Regulation.....

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [X] No [ ] NA [ ]

- 6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [X]

- 7.2 If yes, give full information:  
.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [X]

- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [X]

- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.****GENERAL INTERROGATORIES**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:  
.....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
.....
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [ ] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).  
.....

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes [ ] No [X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ .....

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto:  
.....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: ..... \$ .....0
13. Amount of real estate and mortgages held in short-term investments: ..... \$ .....0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]  
If no, attach a description with this statement.

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.****GENERAL INTERROGATORIES**

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? .....

Yes [X] No [ ]

- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Wells Fargo Institutional Trust Services.....	101 W. Washington St. Marquette, MI 49855.....

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

- 16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

- 17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

- 17.2 If no, list exceptions:

.....

## **STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

## **SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

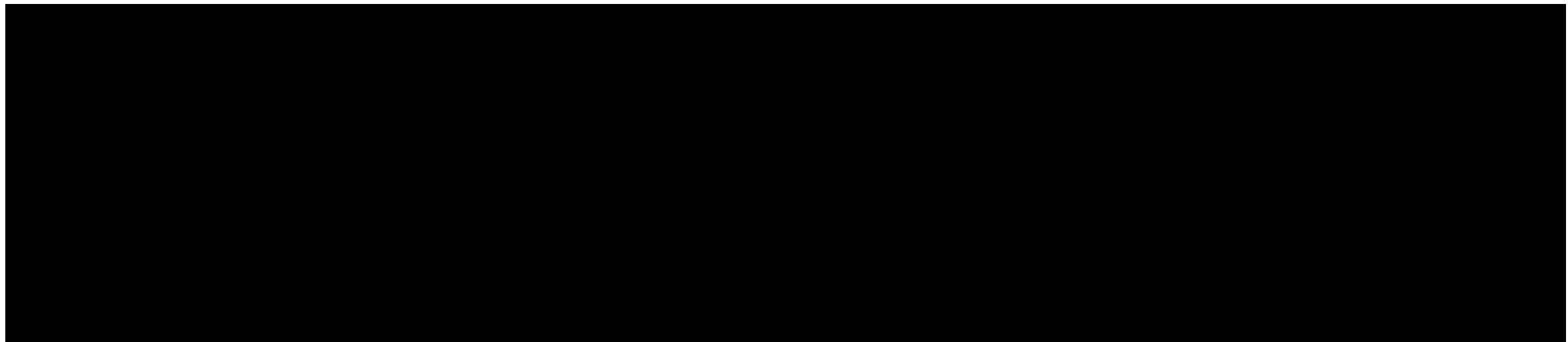
Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama .....	AL	N.						0	
2. Alaska .....	AK	N.						0	
3. Arizona .....	AZ	N.						0	
4. Arkansas .....	AR	N.						0	
5. California .....	CA	N.						0	
6. Colorado .....	CO	N.						0	
7. Connecticut .....	CT	N.						0	
8. Delaware .....	DE	N.						0	
9. District of Columbia .....	DC	N.						0	
10. Florida .....	FL	N.						0	
11. Georgia .....	GA	N.						0	
12. Hawaii .....	HI	N.						0	
13. Idaho .....	ID	N.						0	
14. Illinois .....	IL	N.						0	
15. Indiana .....	IN	N.						0	
16. Iowa .....	IA	N.						0	
17. Kansas .....	KS	N.						0	
18. Kentucky .....	KY	N.						0	
19. Louisiana .....	LA	N.						0	
20. Maine .....	ME	N.						0	
21. Maryland .....	MD	N.						0	
22. Massachusetts .....	MA	N.						0	
23. Michigan .....	MI	L.....160,091		.....41,162,138				41,322,229	
24. Minnesota .....	MN	N.						0	
25. Mississippi .....	MS	N.						0	
26. Missouri .....	MO	N.						0	
27. Montana .....	MT	N.						0	
28. Nebraska .....	NE	N.						0	
29. Nevada .....	NV	N.						0	
30. New Hampshire .....	NH	N.						0	
31. New Jersey .....	NJ	N.						0	
32. New Mexico .....	NM	N.						0	
33. New York .....	NY	N.						0	
34. North Carolina .....	NC	N.						0	
35. North Dakota .....	ND	N.						0	
36. Ohio .....	OH	N.						0	
37. Oklahoma .....	OK	N.						0	
38. Oregon .....	OR	N.						0	
39. Pennsylvania .....	PA	N.						0	
40. Rhode Island .....	RI	N.						0	
41. South Carolina .....	SC	N.						0	
42. South Dakota .....	SD	N.						0	
43. Tennessee .....	TN	N.						0	
44. Texas .....	TX	N.						0	
45. Utah .....	UT	N.						0	
46. Vermont .....	VT	N.						0	
47. Virginia .....	VA	N.						0	
48. Washington .....	WA	N.						0	
49. West Virginia .....	WV	N.						0	
50. Wisconsin .....	WI	N.						0	
51. Wyoming .....	WY	N.						0	
52. American Samoa .....	AS	N.						0	
53. Guam .....	GU	N.						0	
54. Puerto Rico .....	PR	N.						0	
55. U.S. Virgin Islands .....	VI	N.						0	
56. Northern Mariana Islands .....	MP	N.						0	
57. Canada .....	CN	N.						0	
58. Aggregate Other Alien .....	OT	XXX.....0		.....0	.....0	.....0	.....0	.....0	.....0
59. Subtotal .....		XXX.....160,091		.....0	.....41,162,138	.....0	.....0	41,322,229	.....0
60. Reporting entity contributions for Employee Benefit Plans .....		XXX						0	
61. Total (Direct Business)	(a) 1	160,091	0	41,162,138	0	0	0	41,322,229	0
DETAILS OF WRITE-INS									
5801 .....		XXX							
5802 .....		XXX							
5803 .....		XXX							
5898. Summary of remaining write-ins for Line 58 from overflow page .....		XXX.....0		.....0	.....0	.....0	.....0	.....0	.....0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and other Alien.

STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?

.....**NO**.....

**Explanation:**

1.

**Bar Code:**

1.



**OVERFLOW PAGE FOR WRITE-INS**

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**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**SCHEDULE A - VERIFICATION**

**Real Estate**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions .....	0	0
2.2 Additional investment made after acquisitions .....	0	0
3. Current year change in encumbrances .....	0	0
4. Total gain (loss) on disposals .....	0	0
5. Deduct amounts received on disposals .....	0	0
6. Total foreign exchange change in book/adjusted carrying value .....	0	0
7. Deduct current year's other than temporary impairment recognized .....	0	0
8. Deduct current year's depreciation .....	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....	0	0
10. Deduct total nonadmitted amount .....	0	0
11. Statement value at end of current period (Line 9 minus Line 10) .....	0	0

**SCHEDULE B – VERIFICATION**

**Mortgage Loans**

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions .....	0	0
2.2 Additional investment made after acquisitions .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees .....	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Deduct total nonadmitted accounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	0	0

**SCHEDULE BA – VERIFICATION**

**Other Long Term Invested Assets**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions .....	0	0
2.2 Additional investment made after acquisitions .....	0	0
3. Capitalized deferred interest and other .....	0	0
4. Accrual of discount .....	0	0
5. Unrealized valuation increase (decrease) .....	0	0
6. Total gain (loss) on disposals .....	0	0
7. Deduct amounts received on disposals .....	0	0
8. Deduct amortization of premium and depreciation .....	0	0
9. Total foreign exchange change in book/adjusted carrying value .....	0	0
10. Deduct current year's other than temporary impairment recognized .....	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	0	0
12. Deduct total nonadmitted amounts .....	0	0
13. Statement value at end of current period (Line 11 minus Line 12) .....	0	0

**SCHEDULE D – VERIFICATION**

**Bonds and Stocks**

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	1,650,000	3,500,000
2. Cost of bonds and stocks acquired .....	0	0
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals .....	0	0
6. Deduct consideration for bonds and stocks disposed of .....	1,650,000	1,850,000
7. Deduct amortization of premium .....	0	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	0	1,650,000
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11) .....	0	1,650,000

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	0				.0	0	0	1,650,000
2. Class 2 (a).....	0				.0	0	0	.0
3. Class 3 (a).....	0				.0	0	0	.0
4. Class 4 (a).....	0				.0	0	0	.0
5. Class 5 (a).....	0				.0	0	0	.0
6. Class 6 (a)	0				0	0	0	0
7. Total Bonds	0	0	0	0	0	0	0	1,650,000
<b>PREFERRED STOCK</b>								
8. Class 1.....	0				.0	0	0	.0
9. Class 2.....	0				.0	0	0	.0
10. Class 3.....	0				.0	0	0	.0
11. Class 4.....	0				.0	0	0	.0
12. Class 5.....	0				.0	0	0	.0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	0	0	0	0	0	0	0	1,650,000

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... ; NAIC 2 \$ ..... ; NAIC 3 \$ ..... ;  
NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

**STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**SCHEDULE DA - PART 1**

<b>Short-Term Investments Owned End of Current Quarter</b>					
	<b>1</b> Book/Adjusted Carrying Value	<b>2</b> Par Value	<b>3</b> Actual Cost	<b>4</b> Interest Collected Year To Date	<b>5</b> Paid for Accrued Interest Year To Date
82999999 Totals	1,032,722	XXX	1,032,722	11,824	12,182

**SCHEDULE DA - VERIFICATION**

<b>Short-Term Investments</b>		<b>1</b> Year To Date	<b>2</b> Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....		382,722	33,534
2. Cost of short-term investments acquired .....		650,000	398,054
3. Accrual of discount.....			
4. Unrealized valuation increase (decrease).....			0
5. Total gain (loss) on disposals.....			0
6. Deduct consideration received on disposals.....			48,866
7. Deduct amortization of premium.....			
8. Total foreign exchange change in book/adjusted carrying value.....			0
9. Deduct current year's other than temporary impairment recognized.....			
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		1,032,722	382,722
11. Deduct total nonadmitted amounts.....			0
12. Statement value at end of current period (Line 10 minus Line 11)		1,032,722	382,722

Schedule DB - Part F - Section 1

**NONE**

Schedule DB - Part F - Section 2

**NONE**

Schedule E Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

Schedule D - Part 3

**NONE**

Schedule D - Part 4

**NONE**

Schedule DB - Part A - Section 1

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part D - Section 1

**NONE**

## **STATEMENT AS OF JUNE 30, 2008 OF THE Upper Peninsula Health Plan, Inc.**

**SCHEDULE E - PART 1 - CASH**

Schedule E - Part 2 - Cash Equivalents  
**NONE**